

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
JEREMY MCBRIDE
LICENSE NO. 323132

A.I.D. NO. 2008-11-062

EMERGENCY LICENSE SUSPENSION ORDER

On this day the emergency matter of Jeremy McBride ("Respondent") came before Julie Benafield Bowman, Arkansas Insurance Commissioner ("Commissioner"). The Arkansas Insurance Department ("Department") was represented by Zane A. Chrisman, Associate Counsel. From the facts and law before the Commissioner, she finds:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the party and subject matter pursuant to Ark. Code Ann. §23-61-103 and the authority to issue summary license suspensions and/or order payment of penalties under Ark. Code Ann. §§ 23-60-108, 23-64-216(e), 23-64-512(a), and 23-66-408.
2. Respondent is licensed as a resident property, casualty, surety and marine agent and holds Arkansas resident producer license #323132. Respondent's address is 2493 Findley Curve, Russellville, Arkansas, 72802.
3. On July 21, 2008, Libby Henley of Arkansas Insurance Alliance d/b/a Advantage 1 filed a Uniform Suspected Insurance Fraud Reporting Form with the Criminal Investigation Division of the Arkansas Insurance Department. Ms. Henley reported that she had begun a concentrated audit of the Russellville, Arkansas bank account managed by Respondent after the company had been required to supplement the account \$13,481.58 over a period of six months to cover shortfall of funds. During the audit Ms. Hensley questioned Respondent about the account, but was unable to document or justify questions regarding consumers or withdrawals from the account. Further investigation revealed that Respondent had pocketed insurance premiums, failed

to report the premiums, and represented to customers that insurance had been purchased on their behalf. Ms. Hensley stated that Respondent admitted to these acts when confronted by her.

4. On May 22, 2008, Officer Goecke of the Russellville Police Department followed up on the complaint of the theft by Respondent. The complaint had been filed by Ms. Henley, who indicated that Rommy Henley had further information related to the theft. Mr. Henley provided copies of email chats that he had engaged in with Respondent in which Respondent admitted to taking money for policies and telling the customers that they had insurance when they did not.

5. Later the same day, Officer Goecke spoke to Respondent regarding the allegations after advising Respondent of his Miranda rights. Respondent advised the officer that he did steal money from Advantage 1. He told the officer that he would take money from a patron to try to pay for yet another patron's policy. He would then bill the company for the first patron's account. This was a procedure that he had used with both Shay Evans and Misty Dixon, who did not have insurance though Respondent had advised them that they did. Respondent concluded the interview with a recorded statement.

6. On July 10, 2008, Mr. Henley provided paperwork discovered during the audit that showed the following people made paid premiums that were either not deposited or not fully deposited:

- a. Ella Gilbert had made payments and been told that she had coverage, when she did not;
- b. Misty Dixon had made payments and been told that she had coverage, when she did not;
- c. Billy Standridge had made payments and been told that he had coverage, when he did not;
- d. Donnie and Kelly Coffman had made payments and been told that they had coverage, when they did not;
- e. Craig Marshall had made payments and been told that he had coverage, when he did not;

f. Patricia Ford had made payments and been told that she had coverage, when she did not;

g. Don Sherman had made payments and been told that he had coverage, when he did not. He has evidence of a payment of \$290 made on April 26, 2008;

h. Shelia Grensberg has evidence of a payment made on April 16, 2008;

i. Linda Bizell had evidence of a payment made on April 17, 2008;

j. Maryanna Lingell had evidence of payments made on April 15, 2008, and May 5, 2008;

k. Alan Chenault has evidence of a payment made on April 14, 2008;

l. Jim Fabio has evidence of a payment made on April 18, 2008;

m. Angela Segan has evidence of a payment made on April 30, 2008;

n. Javier Gutierrez has evidence of a payment on May 6, 2008;

o. Blake Robinson has evidence of a payment on April 21, 2008;

p. Judy Baughman has evidence of a payment on May 14, 2008;

q. Sharon Laymon has evidence of a payment on March 4, 2008;

r. Dan Waters has evidence of a payment on March 3, 2008, and May 5, 2008;

and

s. Shay Evans had made payments and been told that she had coverage only to discover that she did not have coverage after having a wreck.

7. Respondent had been arrested on the facts as discussed above. Charges are currently pending against Respondent.

VIOLATIONS

Respondent is in violation of:

8. Ark. Code Ann. §23-64-216(a) (1) which provides that a license may be suspended or revoked for violation of any of the causes listed in Ark. Code Ann. § 23-64-512;

9. Ark. Code Ann. § 23-64-512(a)(2) which provides that a license may be suspended or revoked for violating any insurance laws, or violating any regulation, subpoena or order of the commissioner or of another state's insurance commissioner;

10. Ark. Code Ann. § 23-64-512 (a)(4) which provides that a license may be suspended or revoked for improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business;

11. Ark. Code Ann. § 23-64-512 (a)(7) which provides that a license may be suspended or revoked for having admitted to having committed any insurance unfair trade practice or fraud;

12. Ark. Code Ann. § 23-64-512(a) (8), which provides that a license may be suspended or revoked for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

13. Ark. Code Ann. § 23-66-307(a) (1), which provides that a licensee must provide reasonable and professional service to each insured;

14. Ark. Code Ann. § 23-66-310 (a), which provides that no person shall collect any sum as premium or charge for insurance, which insurance is not then provided;

15. Ark. Code Ann. § 23-64-506(e) (1) & (2), which provides that a resident applicant or producer must be deemed by the commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation, and that such qualifications must continue for an individual to remain licensed.

PENALTIES

16. The Department seeks sanctions, up to and including revocation of Arkansas insurance agent license of Respondent, pursuant to Ark. Code Ann. §23-64-216, Ark. Code Ann. 23-60-108, financial penalties pursuant to § 23-64-216(d) based upon the above findings of fact.

17. Due to the gravity of the allegations and averments, it is found that a public emergency exists for the immediate suspension of Respondent's Insurance License.

18. Any and all licenses issued by the Department, whether acquired by the Respondent, Jeremy McBride, for being a broker, agent, solicitor, or consultant in this State, are hereby suspended pending a promptly instituted hearing on the above matter.

19. The Department reserves the right to amend this Emergency License Suspension Order to include additional violations of state law.

20. A Hearing on these matters and seeking to revoke all insurance licenses of the Respondent will be held October 24, 2008, at 10:00 a.m. in the first floor hearing room of the Arkansas Insurance Department, located at 1200 West Third, Little Rock, Arkansas 72201.

IT IS SO ORDERED THIS 4th day of September, 2008.


JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS